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23 May 1947.

MEMORANDUM FOR THE RECORD

The Director, accompanied by [] and Mr. Walter Pforzheimer, appeared before a special subcommittee of the Senate Appropriations Committee in connection with the CIG budget for fiscal 1948. Members of the subcommittee were: Senator Styles Bridges, (R., N.H.), and Senator Kenneth McKellar, (D., Tenn.), representing the full Committee; Senator Chan Gurney, (R., S.D.), and Senator Elmer Thomas, (D., Okla.), representing the War Department subcommittee; Senator Joseph H. Ball, (R., Minn.), and Senator McKellar, representing the State Department subcommittee; Senator Leverett Saltonstall, (R., Mass.), and Senator Elmer Thomas, representing the Navy Department subcommittee.

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The statement was made as to the total amount of funds needed for fiscal 1948, with the Director indicating where our funds were concealed. No detailed breakdown of these funds and the categories was made. There was general approval of the activities of the Group, in addition to which Senator Ball wished to add a provision to some appropriations language which would give the Director the immediate right to fire personnel. This thought was rejected, due to the desire not to indicate by rider in which budget CIG funds were contained. Senator Ball was assured that we would request this right in connection with our enabling legislation.

Senator McKellar desired detailed figures as to specific economies brought about by CIG. This was particularly discussed in connection with clandestine operations.

Senator Saltonstall stated that he had been the recipient of severe criticism of the Group from General Donovan, Mr. Cheston, Mr. Bigelow and Governor McCaughy of Connecticut. Their contention was that this Group had no need for a concealed budget, as it was not engaged in clandestine operations. It was their further contention that the Group should be headed by a civilian, and Senator Saltonstall questioned the Admiral at length regarding his intentions. The Admiral stated that he planned to stay here as long as the Navy would let him, that he wished to make a career of it, and that he had given up all thought of returning to active sea duty.

Mr. Pforzheimer stated to Senator Saltonstall that he had heard General Donovan lecture on CIG and felt that the differences between General Donovan's theories and those of CIG were very slight, and that General Donovan erred simply on the basis that he did not know what CIG was doing in the clandestine field. In this Senator Gurney concurred, adding that he had received several complaints about CIG, both from military intelligence personnel and from persons within CIG itself. The Committee requested the Admiral to get together, if possible, with General Donovan and Mr. Cheston and thresh the matter out and report back.

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